

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
SOUTHERN DIVISION

MACK-UNIVERSITY LLC, et al.

Plaintiffs,

vs.

JAMES HALSTEAD, et al.,

Defendants.

} Case No.: SACV07-393 DOC (ANx)

} (Consolidated with SACV07-591;  
SACV07-641; SACV07-874)

} Assigned to Hon. David O. Carter  
Department 9D

**JUDGMENT AGAINST  
DEFENDANTS  
JEANNE M. ROWZEE AND  
BAILEY INVESTMENTS LLC  
[FRCP 58]**

**(INCLUDING AWARD OF  
PUNITIVE DAMAGES) [FRCP 58]**

On May 20, 2008, before the Court and on the record, Defendant Jeanne M. Rowzee knowingly and voluntarily consented to judgment being entered in favor of all consolidated plaintiffs and against her in the total following sums: \$22,292,362 in compensatory damages, and \$44,584,724 in punitive damages. Pursuant to Federal Rule of Civil Procedure 58, and upon finding no just reason for delay, judgment shall be entered accordingly as detailed below, along with prejudgment interest of 7% on the amount of compensatory damages from January 1, 2007 to May 20, 2008, and post-judgment interest, cost and fees as allowed by law and as detailed below.

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1 **PIERCE et al. v. ROWZEE et al. (SACV07-591 DOC (ANx)):**

2 IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Judgment  
 3 be and is hereby entered in favor of the plaintiffs in the *Pierce et al. v. Rowzee et al.*  
 4 action, Case Number SACV07-591 (“Pierce Action”), as outlined below and against  
 5 Defendants JEANNE M. ROWZEE and BAILEY INVESTMENTS, LLC, jointly  
 6 and severally, in the following amounts, with prejudgment interest being calculated at  
 7 the rate of 7% per annum from January 1, 2007 to May 20, 2008:

	<u>Principal</u>	<u>Prejudgment Interest</u>	<u>Punitive Damages</u>	<u>Total</u>
10 John Pierce	\$ 375,000.00	\$ 36,390.41	\$ 750,000.00	\$1,161,390.41
11 Trent Walker	\$ 126,000.00	\$ 12,227.18	\$ 252,000.00	\$ 390,227.18
12 Michael Hefner	\$ 30,000.00	\$ 2,911.23	\$ 60,000.00	\$ 92,911.23
13 Greg Velastegui	\$ 150,000.00	\$ 14,556.16	\$ 300,000.00	\$ 464,556.16
14 Thomas Hazen	\$ 1,203,394.00	\$116,778.67	\$2,406,788.00	\$3,726,960.67
15 Lawson Family Trust	\$ 356,500.00	\$ 34,595.15	\$ 713,000.00	\$1,104,095.15
16 The Lawson Marketing 17 Group, Inc.	\$ 200,000.00	\$ 19,408.22	\$ 400,000.00	\$ 619,408.22
18 Larry Rabineau	\$ 240,650.00	\$ 23,352.94	\$ 481,300.00	\$ 745,302.94
19 Marc Halliburton	\$ 1,500,550.00	\$ 145,615.02	\$3,001,100.00	\$4,647,265.02
20 Builders Financial 21 Expeditors, LLC	\$ 20,000.00	\$ 1,940.82	\$ 40,000.00	\$ 61,940.82
22 Marilyn Platfoot	\$ 200,000.00	\$ 19,408.22	\$ 400,000.00	\$ 619,408.22
23 Robert Culver and Claudine 24 Halliburton	\$ 160,000.00	\$ 15,526.58	\$ 320,000.00	\$ 495,526.58
25 Robert Halliburton	\$ 158,000.00	\$ 15,332.49	\$ 316,000.00	\$ 489,332.49
26 Yves Halliburton	\$ 14,000.00	\$ 1,358.58	\$ 28,000.00	\$ 43,358.58
27 Bernie Germani Sr.	\$ 16,200.00	\$ 1,572.07	\$ 32,400.00	\$ 50,172.07
28 Bernie Germani Jr.	\$ 261,000.00	\$ 25,327.73	\$ 522,000.00	\$ 808,327.73

1	Ed Sherman	\$ 20,000.00	\$ 1,940.82	\$ 40,000.00	\$ 61,940.82
2	Jane McElroy	\$ 10,000.00	\$ 970.41	\$ 20,000.00	\$ 30,970.41
3	Steve Lowe and Lisa Lowe	\$ 130,368.00	\$ 12,651.05	\$ 260,736.00	\$ 403,755.05
4	Michael Manser and Amy Manser	\$ 493,000.00	\$ 47,841.26	\$ 986,000.00	\$1,526,841.26
5	John M. Powers dba American Home Loans	\$ 868,324.30	\$ 84,263.14	\$1,736,648.60	\$2,689,236.04
6	Powers Trust Investments DBPP	\$ 25,000.00	\$ 2,426.03	\$ 50,000.00	\$ 77,426.03
7	Melissa J. Powers	\$ 150,000.00	\$ 14,556.16	\$ 300,000.00	\$ 464,556.16
8	John M. Powers Jr.	\$ 855,000.00	\$ 82,970.14	\$1,710,000.00	\$2,647,970.14
9	Tooker Family Trust	\$ 412,500.00	\$ 40,029.45	\$ 825,000.00	\$1,277,529.45
10	Jason Wojtyna and Barbara Wojtyna	\$ 556,475.00	\$ 54,000.94	\$1,112,950.00	\$1,723,425.94
11	Kilpatrick Investments LP	\$ 61,500.00	\$ 5,968.03	\$ 123,000.00	\$ 190,468.03
12	Proclaim LLC	\$ 333,700.00	\$ 32,382.61	\$ 667,400.00	\$1,033,482.61
13	KEBO Investments LLC	\$ 5,700.00	\$ 553.13	\$ 11,400.00	\$ 17,653.13
14	Brandon Keenen	\$ 24,750.00	\$ 2,401.77	\$ 49,500.00	\$ 76,651.77
15	James L. Frey	\$ 36,750.00	\$ 3,566.26	\$ 73,500.00	\$ 113,816.26
16	James L. Frey Trust	\$ 26,000.00	\$ 2,523.07	\$ 52,000.00	\$ 80,523.07
17	David N. Frey Trust	\$ 38,250.00	\$ 3,711.82	\$ 76,500.00	\$ 118,461.82
18	James Michael Frey	\$ 24,750.00	\$ 2,401.77	\$ 49,500.00	\$ 76,651.77
19	Amy Frey	\$ 38,250.00	\$ 3,711.82	\$ 76,500.00	\$ 118,461.82
20	James L. Frey MD Research Ltd.	\$ 86,250.00	\$ 8,369.79	\$ 172,500.00	\$ 267,119.79

1	Randal Whittle	\$ 301,000.00	\$ 29,209.37	\$ 602,000.00	\$ 932,209.37
2	Dennis W. Wilson	\$ 504,640.00	\$ 48,970.82	\$1,009,280.00	\$1,562,890.82
3	Thuan Phan	\$ 1,850,000.00	\$ 179,526.03	\$3,700,000.00	\$5,729,526.03
4	Anthony Edwards	\$ 849,000.00	\$ 82,387.89	\$1,698,000.00	\$2,629,387.89
5	Reed Hummel	\$ 350,000.00	\$ 33,964.38	\$ 700,000.00	\$1,083,964.38
6	Steven Cox	\$ 1,479,000.00	\$ 143,523.78	\$2,958,000.00	\$4,580,523.78
7	TOTALS	\$14,541,501.30	\$1,411,123.22	\$29,083,002.60	\$45,035,627.12

The above plaintiffs in the Pierce Action shall also be awarded their costs of suit in an amount to be determined by the Clerk, and attorney's fees in the actual amount of \$152,662.97, which is less than what is allowed under Local Rule 55-3. Post-judgment interest at the rate of 2.34% per annum shall accrue on all of these amounts from the date of entry of this Judgment until paid in full.

**MACK-UNIVERSITY LLC, et al. v. HALSTEAD, et al. (SACV07-393 DOC (ANx)):**

IT IS FURTHER HEREBY ORDERED, ADJUDGED AND DECREED that Judgment be and is hereby entered in favor of the plaintiffs in the *Mack University LLC et al. v. Halstead, et al.* action, Case Number SACV07-393 ("Mack-University Action"), as outlined below and against Defendant JEANNE M. ROWZEE in the following amounts, with prejudgment interest being calculated at the rate of 7% per annum from January 1, 2007 to May 20, 2008:

	<u>Principal</u>	<u>Prejudgment Interest</u>	<u>Punitive Damages</u>	<u>Total</u>
Mack University, LLC	\$ 2,600,000.00	\$252,306.85	\$5,200,000.00	\$8,052,306.85
PMP Ventures-Pipes, LLC	\$ 1,000,000.00	\$ 97,041.10	\$ 2,000,000.00	\$3,097,041.10
TOTAL	\$3,600,000.00	\$349,347.95	\$7,200,000.00	\$11,149,347.65

The above plaintiffs in the Mack-University Action shall also be awarded their

1 costs of suit in an amount to be determined by the Clerk, as well as attorney's fees in  
 2 the amount of \$82,586.96 pursuant to Local Rule 55-3. Post-judgment interest at the  
 3 rate of 2.34% per annum shall accrue on all of these amounts from the date of entry  
 4 of this Judgment until paid in full.

5 **BURNETT, et al. v. ROWZEE, et al. (SACV07-641 DOC (ANx)):**

6 IT IS FURTHER HEREBY ORDERED, ADJUDGED AND DECREED  
 7 that Judgment be and is hereby entered in favor of the plaintiffs in the *Burnett et al. v.*  
 8 *Rowzee, et al.* action, Case Number SACV07-641 ("Burnett Action"), as outlined below  
 9 and against Defendant JEANNE M. ROWZEE in the following amounts, with  
 10 prejudgment interest being calculated at the rate of 7% per annum from January 1,  
 11 2007 to May 20, 2008:

	<u>Principal</u>	<u>Prejudgment Interest</u>	<u>Punitive Damages</u>	<u>Total</u>
14 Kai W. Adler	\$ 20,680.00	\$ 2,006.81	\$ 41,360.00	\$ 64,046.81
15 Robert W. Ballano	\$ 11,210.00	\$ 1,087.83	\$ 22,420.00	\$ 34,717.83
16 Michael Brackett	\$ 19,725.00	\$ 1,914.14	\$ 39,450.00	\$ 61,089.14
17 Eric Bradley and 18 Jennifer Bradley	\$ 132,366.67	\$ 12,845.01	\$ 264,733.34	\$ 409,945.02
19 Ernie Burnett	\$ 561,445.85	\$ 54,483.32	\$ 1,122,891.70	\$1,738,820.87
20 Enrique Campos and 21 Tammy Campos	\$ 106,981.26	\$ 10,381.58	\$ 213,962.52	\$ 331,325.36
22 Mark Childers and 23 Cherie Childers	\$ 215,350.00	\$ 20,897.80	\$ 430,700.00	\$ 666,947.80
24 Mike Curtis and 25 Gwen Curtis	\$ 137,754.92	\$ 13,367.89	\$ 275,509.84	\$ 426,632.65
26 Fifteen Morgan, LLC	\$ 45,333.33	\$ 4,399.20	\$ 90,666.66	\$ 140,399.19
27 First Trust Co. 28 of Onaga	\$ 376,207.39	\$ 36,507.58	\$ 752,414.78	\$1,165,129.75

1	Anne Frank	\$ 89,466.67	\$ 8,681.94	\$ 178,933.34	\$ 277,081.95
2	Alan Girdlestone and Dolores Girdlestone	\$ 112,616.67	\$ 10,928.45	\$ 225,233.34	\$ 348,778.46
3					
4	Jason Glass	\$ 35,412.50	\$ 3,436.47	\$ 70,825.00	\$ 109,673.97
5	Vadim Dan Gluzman and Musia Gluzman	\$ 217,332.51	\$ 21,090.18	\$ 434,665.02	\$ 673,087.71
6					
7	Fran Hargadon	\$ 46,066.67	\$ 4,470.36	\$ 92,133.34	\$ 142,670.37
8	Daniel Kechejian and Aline Kechejian	\$ 40,718.75	\$ 3,951.39	\$ 81,437.50	\$ 126,107.64
9					
10	George C. Kenney	\$ 36,925.00	\$ 3,583.24	\$ 73,850.00	\$ 114,358.24
11	James Kim	\$ 13,800.00	\$ 1,339.17	\$ 27,600.00	\$ 42,739.17
12	Fred Koeppe	\$ 45,333.33	\$ 4,399.20	\$ 90,666.66	\$ 140,399.19
13	Jeff Marsden and Christine Marsden	\$ 21,929.17	\$ 2,128.03	\$ 43,858.34	\$ 67,915.54
14					
15	Robert B. MacDonald	\$ 20,166.67	\$ 1,957.00	\$ 40,333.34	\$ 62,457.01
16	Nigel Charles Page	\$ 69,900.00	\$ 6,783.17	\$ 139,800.00	\$ 216,483.17
17	Stephen Perebzak	\$ 450,992.08	\$ 43,764.77	\$ 901,984.16	\$ 1,396,741.01
18	Eric Rasor and Laura Rasor	\$ 234,600.00	\$ 22,765.84	\$ 469,200.00	\$ 726,565.84
19					
20	Mark R. Sawusch	\$ 342,166.67	\$ 33,204.23	\$ 684,333.34	\$ 1,059,704.24
21	Ralph W. Sheets	\$ 12,751.67	\$ 1,237.44	\$ 25,503.34	\$ 39,492.45
22	Spectrum Lending Group	\$ 39,700.00	\$ 3,852.53	\$ 79,400.00	\$ 122,952.53
23					
24	Fakhri Taheri	\$ 23,408.33	\$ 2,271.57	\$ 46,816.66	\$ 72,496.56
25	John Taylor	\$ 199,920.83	\$ 19,400.54	\$ 399,841.66	\$ 619,163.03
26	Therapy Care, Inc.	\$ 61,163.34	\$ 5,935.36	\$ 122,326.68	\$ 189,425.38
27	Twelve Morgan LLC	\$ 130,200.00	\$ 12,634.75	\$ 260,400.00	\$ 403,234.75
28	Shirley Wagner	\$ 129,235.42	\$ 12,541.15	\$ 258,470.84	\$ 400,247.41

The above plaintiffs in the Burnett Action shall also be awarded their costs of suit

in an amount to be determined by the Clerk, as well as attorney's fees in the amount of \$91,382.17 pursuant to Local Rule 55-3. Post-judgment interest at the rate of 2.34% per annum shall accrue on all of these amounts from the date of entry of this Judgment until paid in full.

**DUSKY, et al. v. BELLASAIRES INVESTMENTS, et al. (SACV07-874 DOC  
(ANx)):**

IT IS FURTHER HEREBY ORDERED, ADJUDGED AND DECREED that Judgment be and is hereby entered in favor of the plaintiffs in the *Dusky, et al. v. Bellasaire Investments, et al.* action, Case Number SACV07-874 (“Dusky Action”), as outlined below and against Defendant JEANNE M. ROWZEE in the following amounts, with prejudgment interest being calculated at the rate of 7% per annum from January 1, 2007 to May 20, 2008:

	<u>Principal</u>	<u>Prejudgment Interest</u>	<u>Punitive Damages</u>	<u>Total</u>
Maricela Dusky	\$ 50,000.00	\$ 4,852.05	\$ 100,000.00	\$ 154,852.05
Salvador Sahagun	\$ 50,000.00	\$ 4,852.05	\$ 100,000.00	\$ 154,852.05
Melissa Hansen	\$ 50,000.00	\$ 4,852.05	\$ 100,000.00	\$ 154,852.05
<b>TOTALS</b>	<b>\$150,000.00</b>	<b>\$ 14,556.15</b>	<b>\$ 300,000.00</b>	<b>\$ 464,556.15</b>

The above plaintiffs in the Dusky Action shall also be awarded attorney's fees in the amount of \$6,891.12 pursuant to Local Rule 55-3. Costs to be determined by the Clerk. Post-judgment interest at the rate of 2.34% per annum shall accrue on all of these amounts from the date of entry of this Judgment until paid in full.

## IT IS SO ORDERED

DATED: July 3, 2008

David O. Carter  
U.S. DISTRICT COURT JUDGE

## **PROOF OF SERVICE**

I am employed in the County of Orange, State of California. I am over the age of eighteen (18) years and am not a party to the within action. My business address is that of 4675 MacArthur Court, Suite 590, Newport Beach, California 92660.

I hereby certify that, on July 3, 2008, I caused the foregoing document entitled:  
**[PROPOSED] DEFAULT JUDGMENT DEFENDANTS JEANNE M. ROWZEE AND BAILEY INVESTMENTS LLC** to be filed electronically with the Clerk of the Court through ECF and that a true and correct copy of the above document will be served upon the following counsel of record in this action by the ECF system in accordance with the Federal Rules of Civil Procedure and the Local Rules of the Court:

SEE ATTACHMENT

Executed on July 3, 2008, at Newport Beach, California.

I declare that I am employed in the office of a member of the bar of this Court at whose direction the service was made. I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

/s/ Patricia L. Starr .  
Patricia L. Starr

1 **ATTACHMENT**  
2

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and Cross-Defendant  
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23 **Plaintiffs Alan E**  
24 **Girdlestone and Dolores**  
25 **Girdlestone, Custodian**  
26 **F/B/O George C**  
27 **Kennedy, Fifteen Morgan**  
28 **LLC, First Trust Co. of**  
29 **Onaga, Mike and Gwen**  
30 **Curtis Revocable Trust**  
31 **U/D/T 1-14-1999,**  
32 **Spectrum Lending**  
33 **Group, Therapy Care Inc,**  
34 **Twelve Morgan LLC,**  
35 **Aline Kechejian, Anne**  
36 **Frank, Cherie Childers,**  
37 **Christine Marsden, Dan**  
38 **Gluzman, Daniel**  
39 **Kechejian, Enrique**  
40 **Campos, Eric Bradley,**  
41 **Eric Rasor, Ernie**  
42 **Burnett, Fakhri Taheri,**  
43 **Fran Hargadon, Fred**  
44 **Koeppe, George C**  
45 **Kenney, James Kim,**  
46 **Jason Glass, Jeff**  
47 **Marsden, Jennifer**  
48 **Bradley, John Taylor, Kai**  
49 **W Adler, Laura Rasor,**  
50 **Luke Arnett, Mark**  
51 **Childers, Mark R**  
52 **Sawusch, Michael**  
53 **Brackett, Musia**  
54 **Gluzman, Nigel Charles**  
55 **Page, Ralph W Sheets,**  
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57 **Shirley Wagner, Stephen**  
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79 **Plaintiff Marticela**  
80 **Dusky, Melissa Hansen,**  
81 **and Salvador Sahagun**

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2 **Defendants James**  
3 **Halstead, Game Plan,**  
4 **Inc., Gameplanjh LLC,**  
5 **Susan Halstead, and**  
6 **Jaime Barker**